

DEPARTMENT OF ENVIRONMENTAL QUALITY
January 10, 2006

RE:

Public Hearing and Request of Public Comment
Chalmette Refining, LLC/Chalmette Refinery
Chalmette, St. Bernard Parish, LA
AI No. 1376, 2933-VO, PER19960005
AI No. 1376, 2822-VO, PER19960006

APPEARANCES:

JAY L. GLORIOSO, ESQUIRE
Office of the Secretary
Louisiana Department of Environmental Quality
Legal Affairs Division
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302

CHARLENE HILL WALK
Senior Environmental Advisor
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Chalmette, Louisiana 70044

REPORTED BY:

MITZI FERNANDEZ
Certified Court Reporter
Registered Professional Reporter

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Mitzi Fernandez, RPR, CCR
(504) 529-3355

1 MR. GLORIOSO:

2 Good evening. Let the record reflect
3 that the time is 6:00 p.m. My name is Jay
4 Glorioso. I am employed with the Louisiana
5 Department of Environmental Quality. I'll be
6 serving as a hearing officer this evening, Tuesday,
7 January 10, 2005.

8 This hearing is scheduled to accept all
9 the comments concerning the proposed initial Part 70
10 air operating permits and the associated
11 Environmental Assessment Statement for Chalmette
12 Refining, LLC, Chalmette Refinery, for the No. 2
13 Crude/Coker Units and the Wastewater Treatment Plant
14 in Chalmette, St. Bernard Parish, Louisiana, Agency
15 Interest No. 1376, Permit Number 2933-VO and
16 Activity Tracking Number PER19960005 and Agency
17 Interest No. 1376, Permit Number 2822-VO and
18 Activity Tracking Number 19960006.

19 This site is located at 500 West St.
20 Bernard Highway, on the left descending bank of the
21 Mississippi River, at Mile 89 above Head-of-Passes
22 in Chalmette, St. Bernard Parish.

23 Chalmette Refining, LLC, is a joint
24 venture between ExxonMobil Corporation and Petroleos
25 de Venezuela, the Venezuelan National Oil Company.

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1 Chalmette Refinery, an integrated crude operation
2 (high conversion) which crude distillation,
3 catalytic reforming, fluid catalytic cracking,
4 hydrocracking, HF alkylation, delayed coking, and
5 aromatics processing units. The refinery is capable
6 of producing gasoline, diesel, enzene/toluene/xylene
7 (BTX), distillates and sulfur recovery, as well as
8 by-products such as petroleum coke, and LPG.

9 MS. WALK:

10 You may want to make it
11 benzene/toluene/xylene. I think that's missing.

12 MR. GLORIOSO:

13 Benzene. It didn't sound right.

14 Chalmette Refining, LLC, proposes to
15 bring the No. 2 Crude/Coker Units and the Wastewater
16 Treatment Plant under Part 70 air permitting
17 requirements. The No. 2 Crude/Coker Units currently
18 operates under a consolidated State Permit No.
19 2500-00005-02, dated November 18th, 1988; other
20 permits Nos. 2822, dated January 29, 2003; No. 2226
21 (M-3), dated November 27, 1996 and 2621 dated August
22 10, 1999. The Wastewater Treatment Plant currently
23 operates under a consolidated State Permit No.
24 2500-00005-02, dated November 18, 1988; other permit
25 Nos. 2226(M-3), 1996; and 2822 dated January 29,

1 2003.

2 The Environmental Assessment Statement
3 submitted by the applicant addresses avoidance of
4 potential and real environmental effects, balancing
5 of social and economic benefits against
6 environmental impact costs, and alternative site
7 projects, and mitigative measures.

8 This hearing is not conducted in a
9 question-and-answer format. Please remember that
10 the purpose of this public hearing is for DEQ to
11 receive your comments concerning the proposed
12 initial Part 70 air operating permits and the
13 associated Environmental Assessment Statement.

14 This hearing is to provide all
15 individuals a chance to be heard regardless of their
16 position on the proposed initial Part 70 air
17 operating permits and the associated Environmental
18 Assessment Statement.

19 Courteous behavior is expected of
20 everyone at all times. You may speak in support of
21 the permit, in opposition to the permit, or simply
22 to provide additional information. All interested
23 parties will be given a reasonable opportunity to
24 comment, unless testimony is not related to the
25 purpose of the hearing. Your comments will be

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1 evaluated and addressed in the Department's written
2 response.

3 A public notice advertising this public
4 hearing and request for public comment on the
5 proposed initial Part 70 air operating permits and
6 the associated Environmental Assessment Statement
7 was published in The St. Bernard Voice, Arabi,
8 Louisiana, The Times Picayune, New Orleans,
9 Louisiana, Plaquemine Gazette, Belle Chasse,
10 Louisiana and The Advocate, Baton Rouge, Louisiana
11 on November 25th, 2005 and December 9, 2005. A copy
12 of the proposed initial Part 70 air operating
13 permits and the associated Environmental Assessment
14 Statement is available for inspection and review at
15 the LDEQ, Public Records Center, Room 127, 602 North
16 5th Street, Baton Rouge, Louisiana. Viewing hours
17 are 8:00 a.m. to 4:30 p.m., Monday through Friday,
18 except holidays.

19 Additional copies may be reviewed at the
20 following locations: St. Bernard Parish Council
21 Office, 8201 West Judge Perez Drive, Chalmette,
22 Louisiana; Plaquemine Parish Library, Belle Chasse
23 Branch, 8442 Highway 23, Belle Chasse, Louisiana;
24 New Orleans Public Library, Headquarters, 219 Loyola
25 Avenue, New Orleans, Louisiana; East Baton Rouge

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1 Parish Library, Headquarters, 7711 Goodwood
2 Boulevard, Baton Rouge, Louisiana; LDEQ Southeast
3 Regional Office Mandeville, 645 North Lotus Drive,
4 Suite C, Mandeville, Louisiana; and Bayou Lafourche
5 Regional Office, 110 Barataria Street, Lockport,
6 Louisiana.

7 In addition, copies of the public notice
8 were mailed to individuals who have requested to be
9 placed on the mailing list maintained by the Office
10 of Environmental Services on November 22nd, 2005.

11 In accordance with Louisiana
12 Administrative Code, Title 33, Part III, Sections
13 531.A.3.C., comments received by 12:30 p.m., Monday,
14 January 16, 2006, will be considered prior to a
15 final permit to a final decision. All comments
16 received by 12:30 p.m., Monday, January 16, 2006,
17 shall be retained by the Department and considered
18 in determining whether to issue or deny the proposed
19 initial Part 70 air operating permits and the
20 associated Environmental Assessment Statement.

21 Written comments on this proposed initial
22 Part 70 air operating permits and the associated
23 Environmental Assessment Statement may be submitted
24 to Miss Soumaya Ghosn, LDEQ, Office of Environmental
25 Services, Environment Assistance Division, Post

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1 Office Box 4313, Baton Rouge, Louisiana 70821-4313.

2 Under Louisiana Revised Statutes 30:2017,
3 as revised by the legislature in the 2004 session,
4 the Department is required to follow the following
5 order with provision that the presiding office may
6 give preference to a public official to speak at any
7 time during the hearing. However, any time limit
8 set for citizen testimony shall apply to public
9 officials.

10 The Department must provide 30 minutes to
11 the permit applicant for an introductory
12 presentation. Thereafter, preference for speaking
13 up to one hour is given as follows:

14 For the first hour, to those citizens who
15 live within a two-mile radius of the location of the
16 facility; for the second hour, to those citizens who
17 work within a two-mile radius of the location of the
18 facility; and for the third hour, to those citizens
19 who live within the parish the location of the
20 facility.

21 Thereafter, each hour of the hearing
22 shall alternate between those who are in support of
23 the proposed initial Part 70 air operating permits
24 and the associated Environmental Assessment
25 Statement and those who are opposed to the proposed

1 initial air operating permits and Environmental
2 Assessment Statement.

3 The order of tonight's hearing will be
4 based on the information provided by the speaker on
5 the registration form. Anyone who registered to
6 speak but did not provide the necessary information
7 will be given the opportunity to speak; however,
8 they will be called last in the order of
9 registration.

10 This hearing is being transcribed;
11 therefore, I will ask that each speaker begin by
12 stating for the record their name, address, and any
13 organization he or she may represent.

14 I would like to remind you to please turn
15 off all cell phones and pagers. Thank you.

16 At this time, I would like to ask the
17 permit applicant's representative, Charlene Walk, to
18 come forward and make their introductory
19 presentation.

20 MS. WALK:

21 Thank you, Mr. Hearing Officer. We
22 appreciate the opportunity to comment on the matter
23 before you all.

24 Good evening. My name is Charlene Walk.
25 I am the Title V coordinator of the Chalmette

1 Refining, LLC. The refinery is located at 500 West
2 St. Bernard Highway, Chalmette, St. Bernard Parish,
3 Louisiana. And I am glad to be here this evening to
4 make a short statement for the record describing the
5 next applications that Chalmette Refining is
6 submitting to the DEQ for Title V permits. This
7 hearing will cover the No. 2 Crude/Coker Area and
8 the Wastewater Treatment Plant Area.

9 First, I'd like to provide a little
10 background on the Title V process and what Chalmette
11 Refining is doing to comply with these
12 requirements. The Federal Clean Air Act Amendments
13 required the EPA to consolidate regulatory actions
14 at facilities to standardize the permitting process
15 and combine emission limits, controls, monitoring,
16 recordkeeping, and reporting into one document to
17 serve as a single point reference for the regulators
18 and the public. The Title V permitting approach is
19 the process by which this is accomplished. The
20 Federal EPA Air Program is administered by -- in
21 Louisiana -- by the Louisiana Department of
22 Environmental Quality.

23 Chalmette Refinery previously submitted
24 consolidated Title V applications in 1996 and in
25 1999. Starting in 2003, Chalmette Refining began

1 the process to amend the Title V applications. A
2 decision was made to divide the refinery into eleven
3 separate areas to facilitate the preparation of
4 individual Title V applications. The No. 2
5 Crude/Coker and the Wastewater Treatment Plant are
6 the second and third of these applications to be
7 processed by the DEQ. The remaining applications
8 were submitted between June and mid-November last
9 year.

10 The refinery organized teams consisting
11 of process, maintenance, operations, and regulatory
12 personnel to prepare the information required for
13 the applications. Each team evaluated each piece of
14 equipment in their areas to determine the amount and
15 composition of any emissions. In addition, normal
16 maintenance and periodic turnaround activities were
17 evaluated to define frequency and amounts of
18 emissions associated with these activities.

19 These teams utilized all the gathered
20 information to prepare the various sections
21 comprising the application and document emissions
22 associated with the activities in these areas. Each
23 application contains an introductory section where
24 the background facility location and a description
25 of the process is included in the application are

1 described. In this section, Chalmette Refining
2 indicates that in addition to fulfilling the
3 requirements for a Title V permit application, a
4 number of changes were also incorporated.

5 These include: First, separating the
6 previously submitted consolidated permit application
7 into eleven areas. And I mentioned that before;
8 second, updating emissions sources estimating
9 methodologies such as updating factors and
10 calculational procedures; third, revising
11 information from existing permits and revising
12 emission source calculation to reflect the current
13 operating levels; fourth, describing project
14 changes, design changes, for the Wastewater
15 Treatment Plant project that was previously
16 permitted; fifth, incorporating the proposed No. 2
17 Crude/Coker project; sixth, deleting emission
18 sources that are no longer in operation; seventh,
19 updating the facility minor emission sources and
20 insignificant activity list; eight, incorporating
21 previous small source permits; and, nine,
22 incorporating existing sources that were not
23 previously permitted; and, last, proposing several
24 specific permitting conditions. This section also
25 includes a description of the projects included in

1 the application.

2 Specific to the Wastewater Treatment
3 application, it includes several revisions to the
4 original project that improves the handling and
5 treating of process and storm water at the
6 refinery. These changes include reducing the size
7 of the cooling tower; adding a new electric drive
8 sump at the API Separator instead of modifying the
9 existing sump; and, third, installing an external
10 floating roof on Tank 3721, which was originally
11 designed to be open top.

12 The No. 2 Crude/Coker application
13 includes the addition of the No. 2 Crude/Coker
14 project. The primary purpose of the project is to
15 increase throughput to the Crude Unit No. 2 Coker
16 No. 2 by 5,000 barrels per day. As part of this
17 proposed project, the new equipment Chalmette will
18 be installing will be installing existing equipment
19 and will be modifying or effecting some other
20 equipment.

21 Physical modifications include several
22 changes to heaters, a diesel-fired air compressor
23 engine and vessels, towers, piping, and some piping
24 components in the No. 2 Crude and Coker process
25 areas. Chalmette Refining included investment for

1 additional controls as part of the project to reduce
2 emissions from existing process equipment. Ultra
3 Low-NOx Burners will be installed on several
4 existing refinery fired heaters that will be
5 modified as part of the project, and a low emission
6 engine will be replacing the existing engine on the
7 diesel-powered air compressor.

8 These steps will reduce emissions from
9 the project facilities. The projects will be
10 installed during the unit turnaround, which is
11 scheduled for 2006 during which several other minor
12 projects will also be installed.

13 In the next section of the application,
14 information is provided on the emission sources in
15 the area and the methods used to determine the
16 emissions associated with each piece of equipment.
17 The emissions sources are organized into several
18 categories such as Wastewater Treatment Plant
19 equipment, combustion sources, coke handling and
20 loading, storage tanks, process fugitive components,
21 and Insignificant Activities and minor emission
22 sources.

23 The next section of the application
24 defines the applicable Louisiana Federal -- and
25 Federal air quality regulatory requirements by

1 regulation and by source. The section after that
2 contains the certification of compliance where the
3 responsible official, in our case the refinery
4 manager, attests the information provided in the
5 application is true, accurate, and complete.

6 The last several sections of these
7 documents document the specific emissions associated
8 with each emission sources. In addition,
9 information is provided on specific source stack
10 characteristics, flow parameters, and operating
11 conditions where applicable.

12 Several appendices are included in these
13 applications to provide additional information. The
14 first appendix provides sample calculations
15 detailing the approach used to generate the
16 emissions for each type of source. This appendix
17 also includes a summary of the emission changes due
18 to the proposed projects. The second appendix
19 provides details on the types activities,
20 frequencies and occurrence and emissions associated
21 with minor emissions sources and insignificant
22 activities.

23 The third appendix lists several proposed
24 specific permit conditions that Chalmette Refining
25 is requesting be included in the permit. In

1 addition, this section contains an analysis of
2 existing permit specific conditions that pertain to
3 the areas and the revisions that Chalmette Refining
4 is requesting as a result of the information
5 provided in the application.

6 The fourth appendix contains the
7 Associated Environmental Assessment Statement, which
8 addresses avoidance of potential environmental
9 effects, balancing of social and economic benefits
10 against environmental impact costs and alternative
11 sites, projects, and mitigation measures.

12 The section demonstrates that any
13 potential environmental impacts resulting from these
14 unit operations have been considered and minimized.
15 This section addresses in detail the five
16 "Environmental Impact Questions." The responses to
17 the questions indicate that the equipment associated
18 with these areas operate efficiently to reduce
19 emissions and utilize clean burning refinery fuel
20 gas as a heat source for the heaters.

21 The emissions from the equipment will be
22 controlled to the levels required by applicable
23 regulations. Additional controls to further reduce
24 emissions are also being installed as part of the
25 Crude/Coker 2 project. This equipment is located

1 within the refinery which is zoned as industrial
2 area.

3 Solid waste generation is expected to be
4 minimal and will be treated and disposed in
5 accordance with applicable Federal and State and
6 local laws and regulations. There is no on-site
7 treatment or disposal of solid and/or hazardous
8 wastes. Any wastewater generated by the equipment
9 will be treated in the refinery's existing
10 Wastewater Treatment system which complies with the
11 applicable water discharge permit limits. Storm
12 water likewise is handled by systems and collected
13 and discharged in accordance with the discharge
14 permit. Water required by the equipment will be
15 provided by the existing refinery water treatment
16 systems.

17 There are no significant ecological
18 impacts expected from the operation of the equipment
19 in the No. 2 Crude/Coker and Wastewater Treatment
20 Plant areas. Finally, continued operation of the
21 No. 2 Crude/Coker and the Wastewater Treatment Plant
22 areas will likely result in positive socioeconomic
23 impacts on the local, regional, and state economy
24 through wages, operational and capital spending and
25 tax revenues.

1 Chalmette refining is committed to
2 improving the performance of the facility and has
3 invested over \$200 million on the environmental
4 projects to reduce emissions and improve operational
5 performance. In addition, Chalmette Refining
6 provides a number of benefits to the local community
7 through installation of an ambient air quality
8 monitoring program, direct contributions, and
9 ongoing outreach programs of refinery personnel. In
10 the fifth and last appendix, Chalmette -- contains
11 Chalmette Refining's analysis of potential
12 compliance issues and proposed actions to resolve
13 these compliance issues.

14 As you can see, the development of the
15 applications for the No. 2 Crude and Coker and the
16 Wastewater Treatment Plant Areas was a major
17 undertaking that required the effort of a number of
18 people over several months. The culmination of
19 these efforts are the applications and the resulting
20 draft permits that are being discussed today.

21 Chalmette Refining is making significant
22 efforts to lower emissions from our operations. We
23 feel our employees and neighbors deserve nothing
24 less.

25 Thank you for your attention.

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1 MR. GLORIOSO:

2 Thank you, Miss Walk.

3 I will now begin by allowing all persons
4 who have signed up to speak five minutes in which to
5 present their comments. Anyone who needed more than
6 five minutes will be allowed to finish his or
7 comments after all the registered speakers have had
8 the opportunity to speak.

9 Let the record reflect that I only have
10 one person signed up to speak at this point in
11 time. There is no one signed up to speak for the
12 citizens who live within a two-mile radius of the
13 location facility. The only person I have signed up
14 to speak is Charlene Walk, who just gave the
15 presentation. And she works within a two-mile
16 radius of the facility.

17 Miss Walk?

18 MS. WALK:

19 That was the presentation. That is
20 sufficient.

21 MR. GLORIOSO:

22 Next is those citizens who live within
23 the parish of the location of the facility. And, as
24 I said before, I just have that one person that
25 signed up.

1 At this time, I would like to call on
2 those citizens who are in support of the proposed
3 initial Part 70 air operating permits and the
4 Environmental Assessment Statement, followed by
5 those who are opposed to the permits.

6 Do I have anybody else that would like to
7 speak at this point in time?

8 (No response.)

9 MR. GLORIOSO:

10 Let the record reflect that there is
11 nobody else has indicated they would like to speak.
12 No one has signed up. At this point, we're going to
13 go off the record.

14 But before I make my closing remarks,
15 we're going to stay here until 7:00 o'clock, and
16 I'll make my closing remarks then.

17 We are off the record.

18 (A break is taken.)

19 MR. GLORIOSO:

20 All right. Let's go back on the record.

21 Let the record reflect that it now 7:00
22 o'clock. No one additional has shown up. And there
23 are no more forms filled out to speak.

24 I'd like to provide anybody else who
25 would like to have anything to say the opportunity

1 to make a comment at this point.

2 (No response.)

3 MR. GLORIOSO:

4 Let the record reflect that no one has
5 indicated intention to make a comment at this
6 point.

7 So I'll go forward with my closing
8 remarks. I would like to remind you that the
9 comment period for this proposed initial Part 70 air
10 operating permits and Associated Environmental
11 Assessment Statement for Chalmette Refining,
12 Chalmette Refinery, ends at 12:30 p.m., Monday,
13 January 16th, 2006.

14 Due to the situation in St. Bernard
15 Parish after the hurricane and to assure a better
16 opportunity for the public to attend this public
17 hearing, LDEQ will hold this public hearing again on
18 January 12, 2006.

19 That will be this coming Thursday?

20 MS. WALK:

21 Yes.

22 MR. GLORIOSO:

23 In Baton Rouge, Louisiana, to receive
24 comments regarding the proposed permits for
25 Chalmette Refinery.

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1 Can we go off the record a second?

2 (Discussion off the record.)

3 MR. GLORIOSO:

4 We can go back on the record.

5 That hearing is going to be in Baton
6 Rouge at LDEQ, Galvez Building, Conference Center
7 Natchez Room, 602 North 5th Street, Baton Rouge,
8 Louisiana.

9 Let the record reflect that I have not
10 received any exhibits, and there are no other
11 comments.

12 I would like to thank you for your
13 attention and participation in this hearing.

14 No other comments?

15 MS. WALK:

16 Thank you.

17 MR. GLORIOSO:

18 Let the record reflect it is 7:02 p.m.,
19 and this hearing is closed.

20 (This concludes the proceedings.)

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REPORTER'S PAGE

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I, Mitzi Fernandez, Certified Court Reporter,
Registered Professional Reporter, in and for the
State of Louisiana, the officer, as defined in Rule
28 of the Federal Rules of Civil Procedure, before
whom this sworn testimony was taken, do hereby state
on the Record:

That due to the interaction in the spontaneous
discourse of this proceeding, dashes (--) have been
used to indicate pauses, changes in thought, and/or
talkovers;

That same is the proper method for a court
reporter's transcription of a proceeding, and that
the dashes (--) do not indicate that words or
phrases have been left out of this transcript;

That any words and/or names which could not be
verified through reference material have been
denoted with the phrase "(phonetic)."

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REPORTER'S CERTIFICATE

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I, MITZI FERNANDEZ, Certified Court Reporter,
having been issued Certificate Number 96007 and
being in good standing with the C.C.R. Board, State
of Louisiana, do hereby certify that the above-named
witness, after having been first duly sworn by me to
testify to the truth, did testify as hereinabove set
forth;

That the testimony was reported by me in
shorthand and transcribed under my personal
direction and supervision and is a true and correct
transcript to the best of my ability and
understanding;

That I am not of counsel, not related to
counsel or the parties hereto and not, in any way,
interested in the outcome of this matter.

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